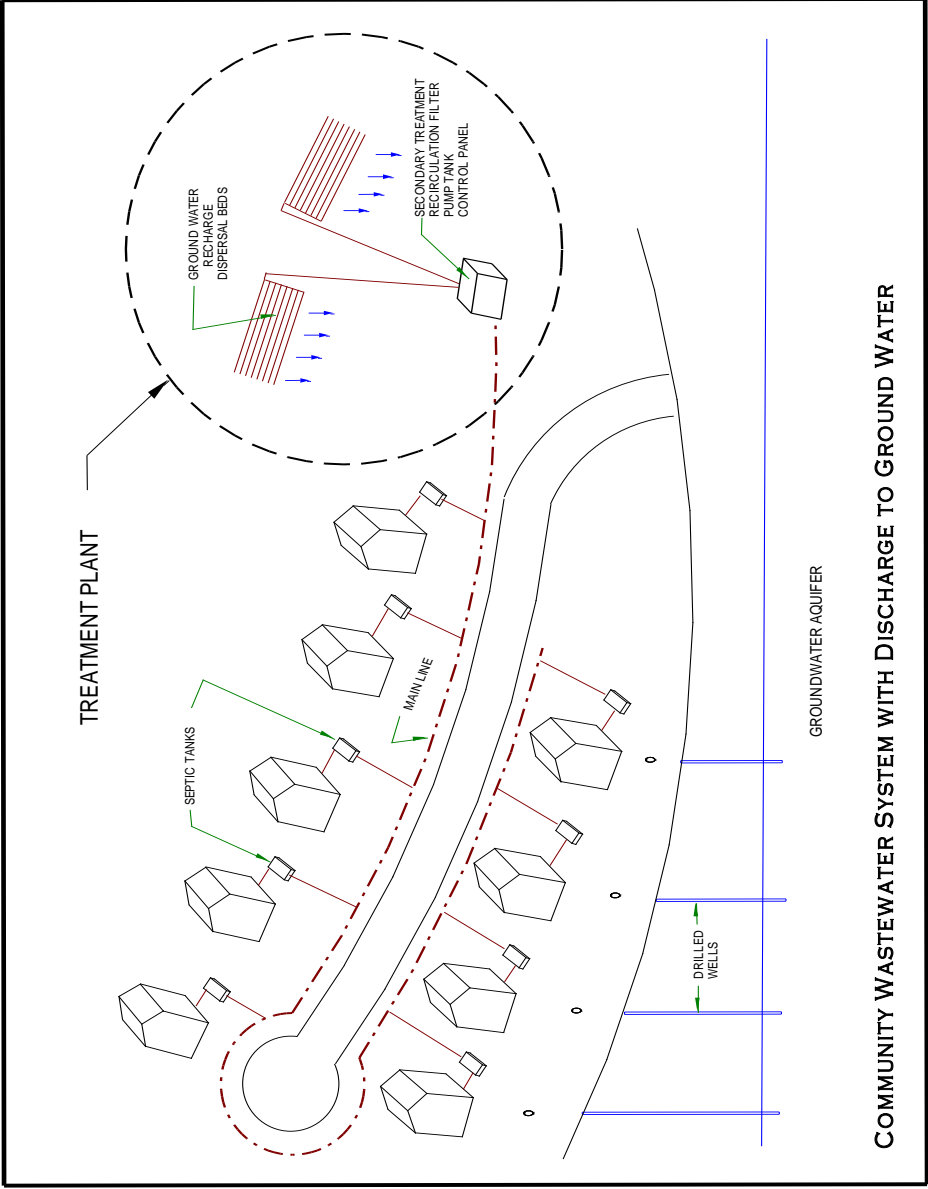


Central Plant Costs

(see Attached Sketch of typical central plant))

Description	Equipment Provider	Docket 07- 0331 Falcon Crest	Docket 07- 0332 Eastgate
Recirculating Tank & Equipment Distribution Valve Assembly AdvanTex Media Filter Pod Dose Tank for Dispersal Field Telemetry	Flo-System	\$172,920.00	\$67,658.00
Dispersal Field Controller, drip tubing, telemetry	American Manufacturing	\$54,268.00	\$26,000.00
Utility Enclosures		\$15,000.00	\$500.00
Installation Contractor	JW Trenching	\$218,200.00	\$74,350.00
Inspection & contingencies		\$5,000.00	\$4,000.00
Totals		\$465,388.00	\$172,508.00
Grand Total Both Plants			\$637,896.00
Total connections are 53			
Cost Per Connection			\$12,035.77



COMMUNITY WASTEWATER SYSTEM WITH DISCHARGE TO GROUND WATER

August 2, 2007
RME Illinois, LLC
Collection System
Operation and Maintenance Costs

	Average Monthly Cost
Item # 1- Preventative Maintenance –annual system checks and corrections Labor* – 1.5 hours at \$30/hour = \$45.00	
Total – 45.00/12months = \$3.75 / month	\$3.75
Item # 2 - Service Calls - one service call per year per 8 EDU labor* 4 hrs at \$30 / hour = \$120.00 or \$15 / EDU	
Total - \$15/12 months = \$1.25	\$1.25
Total	\$5.00

* Labor to be performed by a Wastewater Plant Operator at a rate of
\$30.00 per hour (See Wage determination by job description for details)

RME Illinois, LLC
Treatment System
Operation and Maintenance Costs

	Average Monthly Cost
Item # 3 - Preventative Maintenance – twice yearly – check pumps, media, control panel, floats, recirc. valve Labor* – 1.0 hours/EDU at \$30/hour = \$30.00	
Total – 30.00/12months = 2.50 / month	\$2.50
Item # 4 - Service Calls - one service call per year per 8 EDU Labor* 4 hrs at \$30 / hour = \$120.00 or \$15 / EDU	
Total - \$15/12 months = \$1.25	\$1.25
Total	\$3.75

* Labor to be performed by a Wastewater Plant Operator at a rate of
\$30.00 per hour (See Wage determination by job description for details)

RME Illinois, LLC
Dispersal System
Operation and Maintenance Costs

	Average Monthly Cost
Item # 5 - Preventative Maintenance – twice yearly – check pumps, drip field, control panel, floats, filters Labor* – 0.50 hours/EDU at \$30/hour = \$15.00	
Total – 15.00/12months = 1.25 / month	\$1.25
Item # 6 - Service Calls - one service call per year per 8 EDU Labor* 3 hrs at \$30 / hour = \$90.00 or \$11.25 / EDU	
Total - \$11.25/12 months = \$0.94	\$0.94
Total	\$2.19

* Labor to be performed by a Wastewater Plant Operator at a rate of
\$30.00 per hour (See Wage determination by job description for details)

RME Illinois, LLC
Billing & Collections
All Systems

Item # 7 - Operations to be performed by a bookkeeper at a rate of \$22.11 per hour (see Wage determination by job description for details).

Requires 4.4 hours per month per 50 connections for basic booking services. These services include, billing, collecting, processing of payments received and other miscellaneous bookkeeping functions related to accounts receivable and payable.

The total cost for this service is **\$1.95** per month per connection.

RME Illinois, LLC

Utility Costs

All Systems

Item # 8 - The major utility will be electricity and the largest users of electricity are the pumps. For treatment and dispersal systems and an average of 20 homes the estimated cost of electricity is \$35.00 per month.

Each treatment and dispersal system will need one dedicated phone connection. The cost for this utility will be \$30.00 for 20 homes per month.

The average monthly cost will be \$65 per month per 20 homes or **\$3.25/month/Connection**

RME Illinois, LLC
Sampling, Testing & Reporting
All Systems

Item # 9 – Account 701.8 & 735.8 The regulatory Authority, normally the County Health Department, issues an operating permit for each onsite treatment facility and as part of the permitting process, sets limits on the quality of the waste stream that can be discharged. In order to monitor this process, the regulatory authority requires the operator to evaluate system parameters, take samples, have those samples tested in a qualified laboratory and report those results to the regulatory authority. At present these tests are required at a maximum of 6 months but can be more frequently depending on the waste stream quality.

The tests required are for Biochemical Oxygen Demand (BOD), Total Suspended Solids (TSS) and Nitrate (N). The Lab cost for these services are \$19 for BOD, \$14 for TSS and \$11 for (N). Appropriate containers for the tests will run \$2.00 per test. The total lab costs including supplies is \$150 per year for 25 connections assuming tests are performed every 4 months. This conforms to a rate of \$0.50 (Acct. 735.8) per connection per month.

The labor costs for gathering the samples, and taking the samples to the lab for processing and preparing the report for the regulatory authority is estimated to take 50 hours per 50 connections. The work shall be performed by Wastewater Engineering Technician at the rate of \$41.00 per hour (see wage determination by job description for details). This produces a rate of \$3.42 (Acct. 701.8) per connection per month.

The total cost for labor and lab fees is \$3.92 per connection per month

RME Illinois, LLC

Miscellaneous Costs

All Systems

Item # 10 – Account 701.8 & 736.8 – Operations to be preformed by a Senior Civil Engineer (Acct. 701.8) at a rate of \$49.80 per hour (see Wage determination by job description for details). This operation requires 70 hours per 50 connections per year to monitor the telemetry system for the collection, treatment and dispersal system and includes writing twice yearly reports on system operations to the Regulatory Authority. The report to contain listing of all flows, problems with the system, corrective actions taken and results of the corrective actions. This item also includes the cost of \$1.00 (Acct. 736.8) monthly fee from the telemetry supplier assessed to each connection as the cost of maintaining the computer programming for the telemetry system. The resulting cost of all of the above is **\$6.81** per month per connection.

Item # 11 – Account 760.8 – Advertising Expenses – this account shall include the cost of labor, materials used and expenses incurred in advertising designed to promote or retain the use of utility services, except advertising the sale of merchandise by the utility. The account shall be maintained so that informational and instructional advertising can be readily ascertained. This account shall allow for design, maintenance and fees connected with a web site to promote utility services and for instructional purposes. The cost of this tariff shall be set at a maximum of **\$2.00** per month per connection.

Item # 12 – Account 703.8 – The owners of RME Illinois, LLC are pleased to be able to identify the need for EPA Model 5 management of onsite decentralized sewer service in a given community and utilize their technical capabilities to provide an environmentally sound solution to that need and to do so at a reasonable cost. There are many critical elements to insure that an On-Site sewer system is properly designed, constructed and maintained. This fee is compensation to the owners of the company for the company's ability to provide public sewer service to communities that would otherwise not have it and an incentive to continue to seek out additional opportunities to provide service and for compensation for time spent in the rate making process. This fee is to be based on the rate base of \$6000 per connection and shall be set at 0.8% per year. The resulting amount is **\$4.00** per month per connection.

RME Illinois, LLC

Miscellaneous Costs

All Systems

Item # 13 – Account 408.10 – Utility Regulatory Assessment Fee – This is the fee assessed by the regulatory agency for the purpose of public utility regulation. This cost is currently set at \$1.50 per month per connection.

Item # 14 – Account 757.8 – Insurance Liability – RME Illinois, LLC recognizes the need for liability insurance and is estimating the cost to be **\$2.40** per month per connection and shall be charged as a pass thru cost.

**Dockets 07-0331 & 07-0332 Combined
Operation and Maintenance Costs**

Collection System

includes septic tank, pumps, filters, telemetry,
control panels and related components

Item No's	Account No's	Description	Monthly Amount	
1	701.2	Collection systems - Preventative Maintenance	\$3.75	
2	701.2	Collection System - Service Calls	\$1.25	
		Total	\$5.00	

**Dockets 07-0331 & 07-0332 Combined
Operation and Maintenance Costs**

Treatment System

includes recirc tank, media filters, pumps, filters,
telemetry panel and related components

Item No's	Account No's	Description	Monthly Amount	
3	701.6	Treatment Systems - Preventative Maintenance	\$2.50	
4	701.6	Treatment Systems - Service Calls	\$1.25	
		Total	\$3.75	

**Dockets 07-0331 & 07-0332 Combined
Operation and Maintenance Costs**

Dispersal (Drip Irrigation System)

includes pump tank, pumps, control unit, drip lines,
telemetry panel and related components

Item No's	Account No's	Description	Monthly Amount	
5	701.6	Dispersal System - Preventative Maintenance	\$1.25	
6	701.6	Dispersal System - Service Calls	\$0.94	
		Total	\$2.19	

**Dockets 07-0331 & 07-0332 Combined
Operation and Maintenance Costs**

Billing & Collection
all systems

Item No's	Account No's	Description	Monthly Amount	
7	701.8	Customer Accounts	\$1.95	
		Total	\$1.95	

Dockets 07-0331 & 07-0332
Utility Costs
All Systems

Item	Account	Description	Monthly	
No's	No's		Amount	
8	715.5	Utility Costs - Electric & Telephone	\$3.25	
		Total	\$3.25	

Dockets 07-0331 & 07-0332 Combined
Sampling Testing & Reporting
All Systems

Item	Account	Description	Monthly	
No's	No's		Amount	
9	701.8 & 735.8	Sampling, Testing & Reporting	\$3.92	
		Total	\$3.92	

**Dockets 07-0331 & 07-0332 Combined
Miscellaneous Costs**

All Systems

Item No's	Account No's	Description	Monthly Amount	
10	701.8 & 736.8	Administration & General	\$6.81	
11	760.8	Advertising Expenses	\$2.00	
12	703.8	Officers Compensation	\$4.00	
13	408.10	Local Regulator Fee - Pass Through	\$1.50	
14	757.8	Insurance - Liability	\$2.40	
		Total	\$16.71	

**Dockets 07-0331 & 07-0332 Combined
Tariff Summary**

Item No's	Description	Monthly Charge	
1 to 2	Collection System Operation and Maintenance	\$5.00	
3 to 5	Treatment Systems - Operation and Maintenance	\$3.75	
5 to 6	Dispersal System - Operation and Maintenance	\$2.19	
7	Billing and Collecting	\$1.95	
8	Utility Costs	\$3.25	
9	Sampling, Testing and Reporting	\$3.92	
10- to 14	Miscellaneous Costs	\$16.71	
	Total	\$36.77	

Revenue Requirement Calculations

2-Aug-07

(Dockets 07-331 and 07-332 combined)

Number of Residences	53
Plant Cost	\$637,896.00
Equity Capital per Residence (provided by RME Illinois, LLC)	\$6,000.00
Total Equity Capital (provided by RME Illinois, LLC)	\$318,000.00
Contribution in Aid of Construction	\$319,896.00
Depreciation Term (year)	50
Return on Capital Investment	9%
O & M Requirement (per month per residence)	\$36.77

Utility Revenue Formula:

$$R = Oc + D + rB$$

R is the revenue justified

Oc is the operating cost (O & M)

D is the depreciation (Plant Cost)

B = rate base = (V-d) = book value of assets

V = rate base valuation (total equity capital)

d = accumulated depreciation

Revenue Requirement (Yr 1)	\$64,191.24
Revenue Requirement (Yr 2)	\$63,618.84
Revenue Requirement (Yr 3)	\$63,046.44
Revenue Requirement (Yr 4)	\$62,474.04
Revenue Requirement (Yr 5)	\$61,901.64

Average Revenue Requirement (Yr 1 Thru Yr 5)	\$63,046.44
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Base rate per month per residence (5 year average)	\$99.13
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Docket # 07-0331 Falcon Crest Pro Forma Income Statement

Year		\$2,007.00	\$2,008.00	\$2,009.00	\$2,010.00	\$2,011.00
Customers:						
Residential		\$18.00	\$36.00	\$44.00	\$44.00	\$44.00
Revenue:						
Acct. No.	Account Description					
521.1	Flat Rate Revenues-Residential	\$5,353.02	\$32,118.12	\$47,582.40	\$52,340.64	\$52,340.64
536.6	Other Wastewater Revenues-inspection	\$3,600.00	\$3,600.00	\$1,600.00		
400	Total Revenue	\$8,953.02	\$35,718.12	\$49,182.40	\$52,340.64	\$52,340.64
419	Interest		\$74.21	\$537.88	\$1,208.99	\$1,945.56
Expenses:						
Acct. No.	Account Description					
701.1	Salaries and Wages-Employees-Collection Oper.				\$300.00	
701.2	Salaries and Wages-Employees-Collection-Maint.		\$1,080.00	\$2,160.00	\$2,640.00	\$2,640.00
701.5	Salaries and Wages-Employees-T & D- Oper.			\$200.00	\$300.00	\$300.00
701.6	Salaries and Wages-Employees-T & D- Maint..		\$1,283.04	\$2,566.08	\$3,136.32	\$3,136.32
701.8	Salaries and Wages-Employees-Admin. & Gen.	\$419.04	\$3,252.96	\$5,202.24	\$5,903.04	\$5,903.04
703.8	Salaries and Wages-Members - Admin. & Gen.	\$3,739.68	\$3,739.68	\$1,662.08		
711.6	Sludge Removal Expenses					\$5,490.00
715.5	Purchased power	\$175.50	\$1,053.00	\$1,560.00	\$1,716.00	\$1,716.00
720.1	Materials & Supplies-Collection-Oper.				\$500.00	
720.5	Materials & Supplies-T & D-Oper.			\$100.00	\$200.00	\$400.00
732.8	Contractual Services - Accounting		\$792.00	\$792.00	\$792.00	\$792.00
735.8	Contractual Services - Testing		\$264.00	\$264.00	\$264.00	\$264.00
736.8	Contractual Services - Other	\$54.00	\$324.00	\$480.00	\$528.00	\$528.00
757.8	Insurance - General Liability	\$1,267.20	\$1,267.20	\$1,267.20	\$1,267.20	\$1,267.20
760.8	Advertising Expenses	\$108.00	\$648.00	\$960.00	\$1,056.00	\$1,056.00
401	Operating Expenses	\$5,763.42	\$13,703.88	\$17,213.60	\$18,602.56	\$23,492.56
403	Depreciation	\$1,320.00	\$5,280.00	\$5,280.00	\$5,280.00	\$5,280.00
408.10	Local Regulator Fee		\$480.00	\$480.00	\$480.00	\$480.00
408.10	Utility Tax	\$8.95	\$35.72	\$49.18	\$52.34	\$52.34
409.10	Federal Taxes	\$651.23	\$5,702.46	\$9,344.12	\$10,197.15	\$8,743.46
409.11	State Taxes	\$55.82	\$488.78	\$800.92	\$874.04	\$749.44

Total Taxes and Fees	\$716.00	\$6,706.96	\$10,674.23	\$11,603.54	\$10,025.24
Total Revenue incl. Interest	\$8,953.02	\$35,792.33	\$49,720.28	\$53,549.63	\$54,286.20
		\$0.00			
Net Operating Revenue	\$8,953.02	\$35,792.33	\$49,720.28	\$48,269.63	\$49,006.20
Net Profit or Loss	\$1,153.60	\$10,101.49	\$16,552.45	\$18,063.53	\$15,488.41
5 Year Operating Revenue	\$191,741.46				
5 Year Accumulated Profit	\$61,359.48				
5 Year Accululated Depreciation	\$22,440.00				

RME ILLINOIS, LLC Dockets 07-0331 & 07-0332
PRO FORMA BALANCE SHEET

Line No.	Description	As of \$39,276.00	\$2,007.00	\$2,008.00	\$2,009.00	\$2,010.00	\$2,011.00
CURRENT ASSETS							
131.2	Cash in bank	\$1,247.00	\$8,360.00	\$16,464.72	\$35,943.57	\$62,615.52	\$90,550.36
131.3	Cash in Bank - Customer Deposits		\$1,440.00	\$2,743.20	\$3,262.29	\$3,279.17	\$3,282.34
141	Customer Account Receivable	\$753.00					
134	Working Funds	-	\$1,744.72	\$13,118.85	\$20,311.95	\$21,574.84	\$18,288.24
	TOTAL CURRENT ASSETS	\$2,000.00	\$11,544.72	\$32,326.77	\$59,517.81	\$87,469.53	\$112,120.94
FIXED ASSETS							
101	Utility Plant in Service		\$637,896.00	\$637,896.00	\$637,896.00	\$637,896.00	\$637,896.00
108.1	Accumulated Depreciation of Utility Plant in Service		(\$12,757.92)	(\$25,515.84)	(\$38,273.76)	(\$51,031.68)	(\$63,789.60)
	NET FIXED ASSETS		\$625,138.08	\$612,380.16	\$599,622.24	\$586,864.32	\$574,106.40
	TOTAL ASSETS	\$2,000.00	\$636,682.80	\$644,706.93	\$659,140.05	\$674,333.85	\$686,227.34
LIABILITIES							
271	Contribution in Aid of Construction		\$319,896.00	\$319,896.00	\$319,896.00	\$319,896.00	\$319,896.00
272	Accumulated Amortization of Cont. in Aid of Const.		(\$6,397.92)	(\$12,795.84)	(\$19,193.76)	(\$25,591.68)	(\$31,989.60)
235	Customer Deposits		\$1,440.00	\$2,743.20	\$3,262.29	\$3,279.17	\$3,282.34
	TOTAL LIABILITIES		\$314,938.08	\$309,843.36	\$303,964.53	\$297,583.49	\$291,188.74
EQUITY CAPITAL & OTHER CREDITS							
214	Appropriated Retained Earnings		\$1,744.72	\$13,118.85	\$20,311.95	\$21,574.84	\$18,288.24
215	Retained Earnings (end of period)			\$1,744.72	\$13,118.85	\$20,311.95	\$21,574.84
211	Additional Paid in Capital		\$318,000.00				
	TOTAL MEMBERS EQUITY	\$2,000.00	\$320,000.00	\$321,744.72	\$334,863.57	\$355,175.52	\$376,750.36
	TOTAL LIABILITIES & EQUITY	\$2,000.00	\$636,682.80	\$644,706.93	\$659,140.05	\$674,333.85	\$686,227.34

Does not include non plant Contributions in Aid of Construction (on lot service connections)